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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
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In the Matter of )  
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Amendment of the Commission's ) RM-8117  
Rules Governing 800 MHz )  
Specialized Mobile Radio )  
Service Systems to Permit )  
the Licensing of Wide-Area )  
Block Authorizations )

To: The Commission

REPLY COMMENTS  
OF THE  
INDUSTRIAL TELECOMMUNICATIONS ASSOCIATION, INC.

The Industrial Telecommunications Association, Inc. ("ITA"), pursuant to Section 1.405(b) of the Commission's Rules, 47 C.F.R. 1.405(b), hereby respectfully submits these Reply Comments in the above-referenced proceeding.

I. PRELIMINARY STATEMENT

1. The Industrial Telecommunications Association, formerly the Special Industrial Radio Service Association, Inc., is a non-profit association organized under the laws of the District of Columbia. ITA is the Commission's certified frequency coordinator for the Special Industrial Radio Service and the Industrial/Land Transportation 800/900 MHz frequency "pools." ITA also coordinates channels from the general access pool for those entities (a) eligible to become Industrial/Land Transportation licensees.

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(b) wishing to expand trunked systems, or (c) consolidating conventional systems into a trunked system. ITA coordinates in excess of 6,000 applications per year on behalf of applicants seeking Commission authority to operate radio stations on frequency assignments allocated to the Special Industrial Radio Service and the enumerated 800/900 MHz frequency "pools."

2. ITA enjoys the support of a membership that includes more than 9,000 licensed two-way land mobile radio communications users and the following trade associations:

- Alliance of Motion Picture and Television Producers
- American Mining Congress
- Associated Builders & Contractors, Inc.
- Florida Citrus Processors Association
- Florida Fruit & Vegetable Association
- National Aggregates Association
- National Agricultural Aviation Association
- National Food Processors Association
- National Propane Gas Association
- National Ready-Mixed Concrete Association
- National Utility Contractors Association
- New England Fuel Institute
- United States Telephone Association

3. The Council of Independent Communication Suppliers ("CICS"), an independent membership market council of the Industrial Telecommunications Association, participated in the comment phase of this proceeding. Three other parties filed comments responding to AMTA's "blueprint" proposal. CICS, the National Association of Business and Educational Radio, Inc. ("NABER") and Fleet Call, Inc. all were generally supportive of

AMTA's proposal. The Utilities Telecommunications Council ("UTC") did not address the merits of AMTA's blueprint concept, but did propose a scheme for recapturing Industrial/Land Transportation channels previously assigned for SMR use. ITA takes this opportunity to respond to the specific comments filed by the participating parties.

## II. SUMMARY OF COMMENTS

4. CICS is supportive of AMTA's initiative but expresses concerns about particular aspects of the proposal. Similarly, both NABER and Fleet Call raise concerns with some of the details underlying AMTA's proposal. Accordingly, CICS, NABER and Fleet Call all propose certain variations and refinements on AMTA's proposal.

5. CICS questions the need for restricting all applicants for non-trunked SMR systems to channels in the 896-901/935-940 MHz band, as AMTA had proposed. CICS also notes that AMTA did not propose any specific time requirement for completing the construction of stations authorized under the blueprint. CICS urges the Commission to impose a requirement that all licensees, regardless of the size of the market, must completely implement their assigned channels within a specified period of time.

6. NABER urges the Commission to recognize that not all SMR licensees have the same need or desire to implement wide-area systems. NABER emphasizes that the rule structure fashioned in this proceeding should be sufficiently flexible to preserve the business opportunities for SMR operators who are intent on maintaining a traditional dispatch service. NABER advocates that the Commission be careful to balance both the needs of licensees who choose to pursue consolidation of SMR systems and the needs of SMR operators who would prefer to retain their existing role in the industry. To ensure adequate protection for existing systems, NABER recommends that a block licensee be required to obtain concurrence from the licensees of all co-channel systems which are located less than 70 miles from the sites at which the block licensee proposes to establish additional base stations. NABER also suggests that detailed conditions be placed on an applicant who seeks more than one year to construct a wide-area, technically advanced SMR network.<sup>1</sup>

7. Additionally, NABER urges the Commission to adopt measures that it believes will promote the construction of digital networks

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<sup>1</sup> The conditions which NABER proposes include a requirement that wide-area, advanced SMR licensees would have to construct 50% of their licensed stations within two years of the grant date and the remaining 50% within five years of the date of grant. NABER also suggests that the licensee should be required to post a performance bond, which the licensee would forfeit if it did not complete construction of all stations initially granted.

in rural areas. Specifically, NABER advocates that the Commission use General Category channels to create innovator block authorizations in rural areas. NABER maintains that use of the General Category channels for innovator blocks would spur the development of digital systems.

8. Fleet Call expresses concern that the efficiency standard proposed by AMTA is not sufficiently demanding. In this regard, Fleet Call notes that state-of-the-art digital technology is capable of achieving efficiencies six times greater than existing analog equipment. Fleet Call also states that block licensees should be assigned using the competitive bidding process, rather than lotteries. Fleet Call asserts that Congress would readily grant enabling authority for auctions if the FCC were to pursue this approach.

9. UTC argues that SMR licensees who are ultimately licensed on a block basis should be required to discontinue using all previously assigned Industrial/Land Transportation channels within one year after grant of the block license. UTC bases this suggestion on its expectation that, by employing higher capacity digital technology, SMR licensees would no longer require the additional capacity obtained through inter-category assignment of Industrial/Land Transportation channels.

### III. REPLY COMMENTS

10. ITA agrees with NABER that the Commission must be careful to balance the competing needs of large and small SMR systems. There is a risk that if the Commission moves aggressively to accommodate SMR licensees who desire to implement wide-area systems, operators of smaller SMR systems may find that they have lost the flexibility to adapt their systems to changing market demands. In particular, ITA believes that block licensees who seek to establish transmitter sites that are short-spaced against other licensees should be required to obtain the concurrence of affected licensees or, alternatively, should be required to proceed with a formal application for the intended site.

11. Similarly, ITA is supportive of the proposals by CICS and NABER to require wide-area, advanced SMR licensees to complete construction of their assigned channels within a defined period. In this regard, the construction schedule suggested by NABER would seem to be appropriate. ITA also believes that requiring licensees to post a performance bond represents a useful test of a licensee's commitment to constructing the proposed system.

12. ITA opposes the approach recommended by NABER for creating innovator blocks.<sup>2</sup> ITA takes serious issue with NABER's premise that innovator blocks need to be created using the General Category channels. Any direct allocation of General Category channels for SMR purposes would threaten the availability of these channels for meeting the critical communication requirements of industrial users, utilities and other traditional private radio eligibles. ITA therefore urges the Commission not to jeopardize the present utility of the General Category channels by allocating them for the creation of innovator blocks.

13. The General Category channels already accommodate the needs of a vast number of SMR licensees who have gained access to the channels in accordance with the rules permitting consolidation of channels for trunking purposes (Section 90.615(b)) and the intercategory sharing rules (Section 90.621(g)(3)). Using these same channels for creating innovator blocks would place an unwarranted and unnecessary additional strain on the availability of General Category channels.

14. Responding to Fleet Call's comments regarding a minimum efficiency standard, ITA believes the Commission should exercise caution when setting efficiency standards. Circumstances will vary

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<sup>2</sup> See NABER's Comments, footnote 11.

from system to system and market to market. While Fleet Call suggests that digital licensees should be able to demonstrate at least six times more efficient use, ITA would prefer that the Commission permit marketplace forces to dictate the appropriate level of improvement.

15. ITA does not support Fleet Call's suggestion that auctions should be used to assign block licensing rights. As a preliminary matter, ITA is not persuaded that the required Congressional authority could easily be obtained. Moreover, even if Congressional approval were relatively assured, ITA does not support the use of auctions in the private land mobile radio services. If auctions are used to assign block licenses, SMR subscribers will likely have to bear the cost of the winning bid by paying higher end user fees. Moreover, the use of auctions would set an undesirable precedent for the establishment of auctions in other private radio services.

16. From ITA's perspective, the proposal advanced by UTC that SMR block licensees be required to relinquish Industrial/Land Transportation channels obtained via inter-category sharing is theoretically appealing. ITA believes this proposal, though premature at this juncture, requires further consideration. Recognizing that UTC's proposal raises complex policy and procedural issues, ITA suggests that the Commission pursue this



matter at a later stage in this proceeding once the blueprint concept has been further developed and refined.

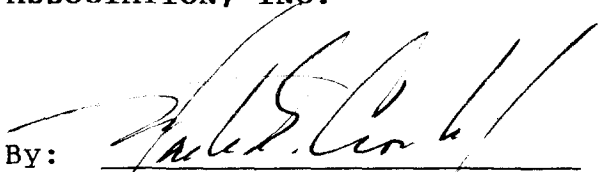
#### IV. CONCLUSION

17. ITA is supportive of the objective and intent of AMTA's Petition for Rule Making. In considering rules to implement the proposal, however, ITA urges the Commission to be sensitive to the needs of small SMR operators. ITA does not support use of the General Category channels to create innovator blocks, nor does it support the use of auctions to assign block licensing rights. Finally, ITA suggests that the Commission devote further study to the possibility of requiring block licensees to relinquish previously assigned Industrial/Land Transportation channels.

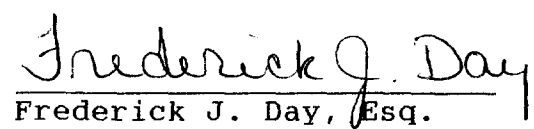
WHEREFORE, THE PREMISES CONSIDERED, the Industrial Telecommunications Association, Inc. respectfully submits these Comments and urges the Federal Communications Commission to act in accordance with the views expressed herein.

INDUSTRIAL TELECOMMUNICATIONS  
ASSOCIATION, INC.

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By:

  
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